

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
THIRTEENTH CONGRESS

House Bill No. 448



Introduced by Rep. Manuel "Way Kurat" E. Zamora

EXPLANATORY NOTE

As mandated by Presidential Decree No. 1594, the award of government infrastructure contracts shall be governed by rules to: a) bring about maximum efficiency in project implementation and minimize project costs and contract variations through sound practices in contract management; b) promote a healthy partnership between the government and the private sector in furthering national development; and c) enhance the growth of the local construction industry and optimize the use of indigenous manpower, materials and other resources.

This bill is being put forward in pursuit of these policy objectives. In addition to the legal, technical and financial prequalification requirements of prospective contractors as spelled out in Presidential Decree No. 1594, the bill requires geographical requirements such that project contractors who are based in Luzon may only be qualified to undertake government infrastructure within Luzon. The same requirement shall be imposed to contractors who are based in the Visayas or Mindanao. They may only bid and win contracts within their respective island groups.

The rationale for this proposal are the following:

1. It will enhance project implementation efficiency;
2. It will prevent too much sub-contracting and, thus, lessen corruption;
3. It will enhance the growth of local contractors in the three island groups; and
4. It will cut costs on project implementation.

However, it is also qualified in this proposal that certain projects may still be undertaken by contractors not based within a particular island group where the project is to be implemented as long as certain conditions are met.

The expeditious passage of this bill is earnestly requested.

MANUEL "WAY KURAT" E. ZAMORA

Approved,

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**AN ACT
PRESCRIBING THE GEOGRAPHICAL REQUIREMENTS IN THE BIDDING AND
AWARDING OF CONTRACTS FOR GOVERNMENT INFRASTRUCTURE PROJECTS,
AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1594**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. A prospective contractor may be prequalified to offer a bid or tender for government infrastructure projects only if he/she meets the following requirement:

a. Geographical requirement

1. A prospective contractor whose office is based in Luzon may only bid for government infrastructure projects to be implemented within Luzon.
2. A prospective contractor whose office is based in the Visayas may only bid for government infrastructure projects to be implemented within the Visayas.
3. A prospective contractor whose office is based in Mindanao may only bid for government infrastructure projects to be implemented within Mindanao.

Provided; That a prospective contractor from any of the three island groups may bid for projects not to be implemented within his/her respective island group only if any or both of the following conditions are met:

1. None of the prospective contractors based within the island group where the government infrastructure project is to be implemented legally, technically and financially qualify to bid for the project.
2. There is an expressed declaration of the contractor's association of a particular island group that the infrastructure project is open to all prospective contractors in the country.

SEC. 2. All laws, decrees, rules and regulations contrary to the provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. This Act shall take effect upon its approval.

Approved,